

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: July 13, 2021**

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: July 5, 2021

TO: Public Utility Commission

FROM: Michael Dougherty

THROUGH: Bryan Conway **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2114)
Investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission or PUC) should:

1. Pursuant to Commission Order No. 21-164, take no action on directing utilities to supplement Arrearage Management Plan funds, but direct Staff to return to the Commission at the September 20, 2021, Public Meeting to present an update on AMP funds and the possible need to supplement these funds.
2. For purposes of taking further action consistent with Commission Order No. 21-164, identify the following characteristics and circumstances to be used to protect certain customers against disconnections of energy service: 1) Residential customers actively engaged in an Arrearage Management Program (AMP) matching program and have made one or more payments since enrollment, 2) residential customers on a time-payment arrangement (TPA), 3) residential customers not on a TPA but who have made a payment in the past month of at least 10 percent of the past due balance, 4) residential customers who self-certify they have an appointment or are seeking Energy Assistance may be protected for at least one month, subject to engagement with the utility, 5) residential customers on medical certificates without the need to enter a TPA, 6) residential and small commercial customers displaced by wildfires, and 7) residential and small commercial customers on days where the Air Quality Index (AQI) – All AQI pollutants is at 101 (Hazardous for Sensitive Groups) or higher. Direct Staff and the Diversity, Equity, and Inclusion (DEI) Director to further

examine these and other circumstances recommended by stakeholders during workshops convened under Paragraph 28 of the Stipulated Agreement.

DISCUSSION:

Issues

Whether the Commission should:

1. Take no action on directing utilities to supplement Arrearage Management Plan funds, but direct Staff to return to the Commission at the September 20, 2021, Public Meeting to present an update on AMP funds and the possible need to supplement these funds.
2. Identify the following characteristics and circumstances to be used to protect certain customers against disconnections of energy service consistent with Order No. 21-164: 1) Residential customers actively engaged in an Arrearage Management Program (AMP) matching program and have made one or more payments since enrollment, 2) residential customers on a time-payment arrangement (TPA), 3) residential customers not on a TPA but who have made a payment in the past month of at least 10 percent of the past due balance, 4) residential customers who self-certify they have an appointment or are seeking Energy Assistance may be protected for at least one month, subject to engagement with the utility, 5) residential customers on medical certificates without the need to enter a TPA, 6) residential and small commercial customers displaced by wildfires, and 7) residential and small commercial customers on days where the Air Quality Index (AQI) – All AQI pollutants is at 101 (Hazardous for Sensitive Groups) or higher. Direct Staff and the Diversity, Equity, and Inclusion (DEI) Director to further examine these and other circumstances recommended by stakeholders during workshops convened under Paragraph 28 of the Stipulated Agreement.

Applicable Law

ORS 756.040 describes the general powers and duties of the Commission in supervising and regulating public utilities and telecommunications utilities, which include representing the customers of any public utility or telecommunications utility and the public generally in all controversies respecting rates, valuations, service, and all matters of which the Commission has jurisdiction. The Commission is authorized under

ORS 756.060 to adopt reasonable and proper rules relative to all statutes administered by the Commission.

The Commission's regulatory authority is further specified in ORS Chapters 756 and 757, as relevant here. Under ORS 756.090, a utility must keep and maintain records as required by the Commission. The Commission may require a utility to furnish information to carry into effect the provisions of ORS chapters 756, 757, 758, and 759, per ORS 756.105.

The Commission has adopted certain administrative rules relevant to the matters discussed herein in OAR Chapter 860, Divisions 21. Under OAR 860-021-0407, energy utilities are required to put into effect a moratorium on residential service disconnections for nonpayment on any day a high temperature of less than 32 degrees Fahrenheit is forecast or a local Heat Advisory is issued.

Under OAR 860-021-0410(1), an energy utility may not disconnect residential service when a "customer submits certification from a qualified medical professional stating that disconnection would significantly endanger the physical health of the customer or a member of the customer's household."

This rule further provides, in OAR 860-021-0410(5), that submission of a medical certificate does not excuse the customer from paying for energy service, and a customer is required to enter into a time-payment agreement when an overdue balance exists. A utility may provide notice of intent to disconnect if a medical certificate customer fails to enter into a written time-payment agreement within 20 days of filing the certificate, or to abide by its terms.

Analysis

Background

On March 8, 2020, Governor Brown declared a statewide state of emergency due to the public health threat posed by the novel infectious coronavirus, COVID-19.¹ Several extensions of that order have been issued, with the last order that extended the state of emergency to June 28, 2021.² Effective June 30, 2021, Governor Brown lifted most COVID-19 restrictions.³

¹ EO 20-03 (March 8, 2020).

² EO 20-24 (May 1, 2020); EO 20-30 (June 30, 2020); EO 20-38 (September 1, 2020); EO 20-67 (December 17, 2020), EO 21-05 (February 25, 2021), and EO 21-10 (April 29, 2021).

³ EO 21-15 (June 25, 2021).

On September 24, 2020, the Commission authorized Staff and the affected energy utilities and stakeholders to execute a stipulation that was developed during the Commission's investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

During the timeframe between September 24, 2020 and October 23, 2020, Parties refined the Energy Term Sheet and developed a Stipulated Agreement on terms and conditions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic.

Parties include (though are not limited to): utilities, Clackamas County Social Services, Community Action Partnership of Oregon (CAPO), Community Action Agency of Washington County, Community Energy Project (CEP), Multnomah County Office of Sustainability, Northwest Energy Coalition (NVEC), Oregon Citizens' Utility Board (CUB), and Verde.

At its public meeting on November 3, 2020, the Commission approved the UM 2114 Stipulated Agreement. See Order No. 20-401, <https://apps.puc.state.or.us/orders/2020ords/20-401.pdf>.

At its special public meeting on February 23, 2021, the Commission extended the April 1, 2021, date on which the energy utilities may resume providing a 15-day late notice for residential customers before disconnection to June 15, 2021. The Commission also directed Staff to report back to the Commission in the middle of May regarding the moratorium and whether additional changes should be considered. See Order No. 21-057, <https://apps.puc.state.or.us/orders/2021ords/21-057.pdf>.

At its public meeting on March 23, 2021, the Commission approved the Arrearage Management Plans of Avista, Cascade Natural Gas, NW Natural, Idaho Power, and PacifiCorp. The Commission previously approved Portland General Electric's AMP on February 11, 2021.

At its public meeting on May 23, 2021, the Commission took the following actions, as memorialized in Order No. 21-164; <https://apps.puc.state.or.us/orders/2021ords/21-164.pdf>:

- Extended the date to send disconnection (late) notices to customers until July 16, 2021;
- Directed Staff to work with stakeholders to possibly supplement arrearage management plans;

- Directed Staff to consult with the parties to develop recommendations for specific characteristics to identify customers that should receive special protection against energy disconnections, and the circumstances under which such protections should be provided. Further directed Staff, if a joint recommendation cannot be presented, to outline the various characteristics and circumstances considered, and provide a description of the reasons why such characteristics and circumstances were proposed, and were deemed reasonable or unreasonable by Staff.
- Directed Staff, within 30 days following Commission action on recommendations for characteristics and circumstances to be used to protect certain customers against disconnections of energy service, to propose rulemaking or other process that would have the effect of preventing the disconnection of such customers for a defined period of time; and
- Directed the DEI Director to report to the Commission no later than the August 24, 2021, Public Meeting, with a status report, and any findings and recommendations that may exist at that time concerning the workshops convened under Paragraph 28 of the UM 2114 Stipulated Agreement.

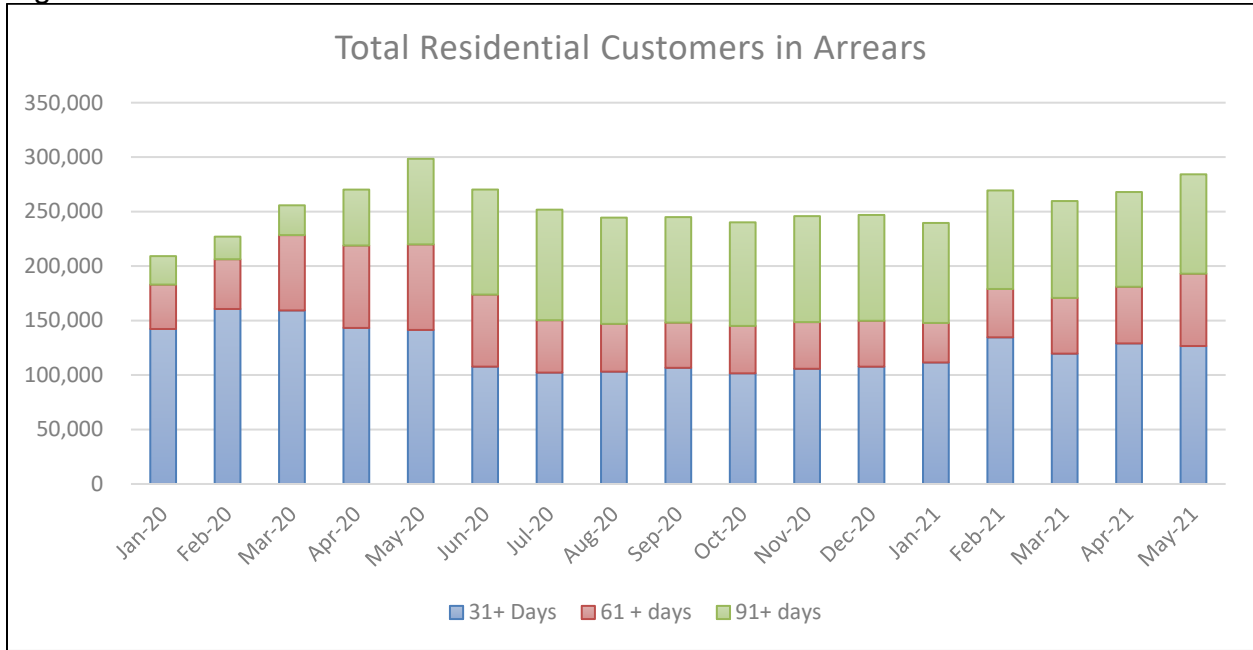
Arrearages

The following graphs show the changes in energy utility customer arrearages from January 2020 to May 2021.

Total Customers in Arrears

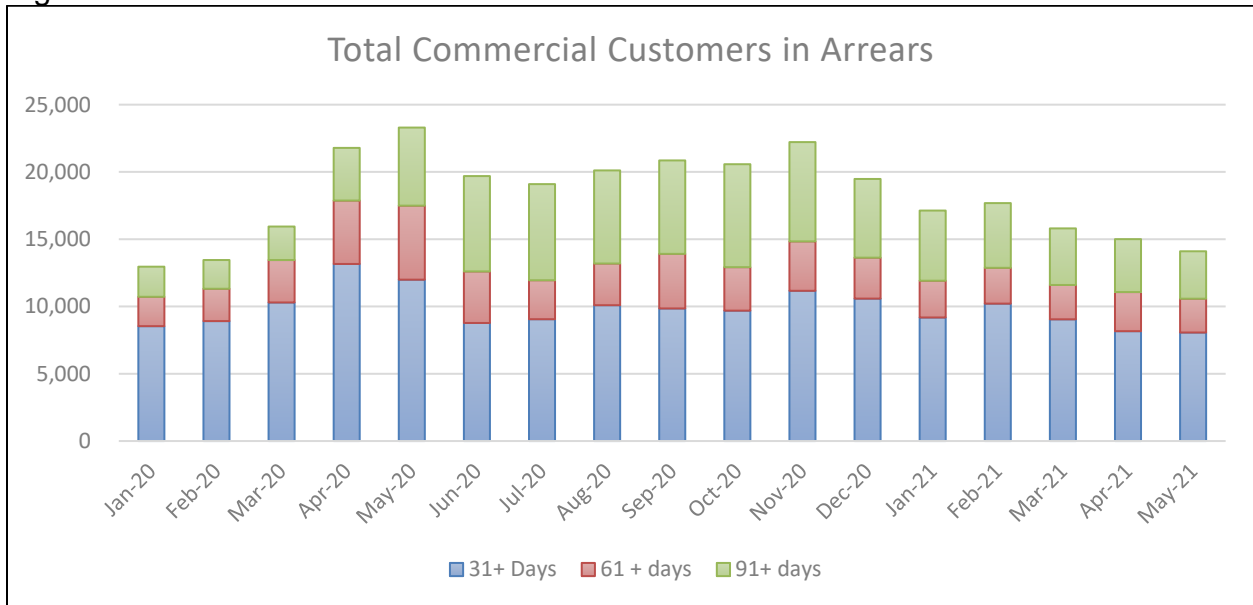
As can be seen below, total residential customers in arrears continue to grow. This is true for all energy utilities.

Figure 1 – Total Residential Customers in Arrears



Although total residential customers continue to increase, total commercial customers in arrears has decreased as shown in Figure 2 below.

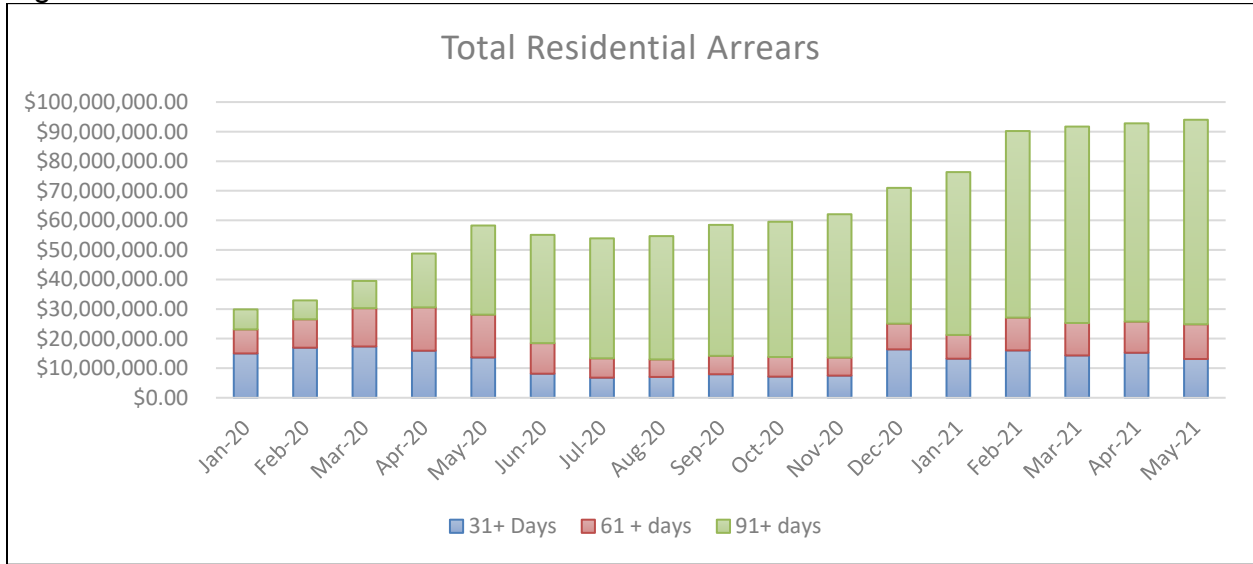
Figure 2 – Total Commercial Customers in Arrears



Total Arrears

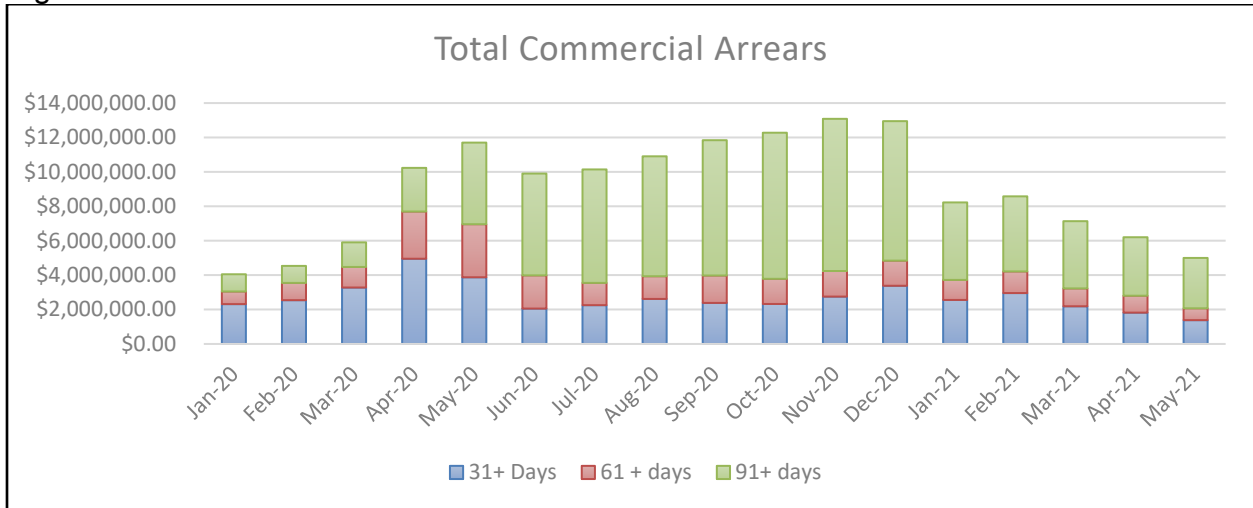
Total residential arrears grew by \$1.2 million from April 2021 to May 2021.

Figure 3 – Total Residential Arrears



However, on a positive note, total small commercial arrears are decreasing as shown in the below graph.

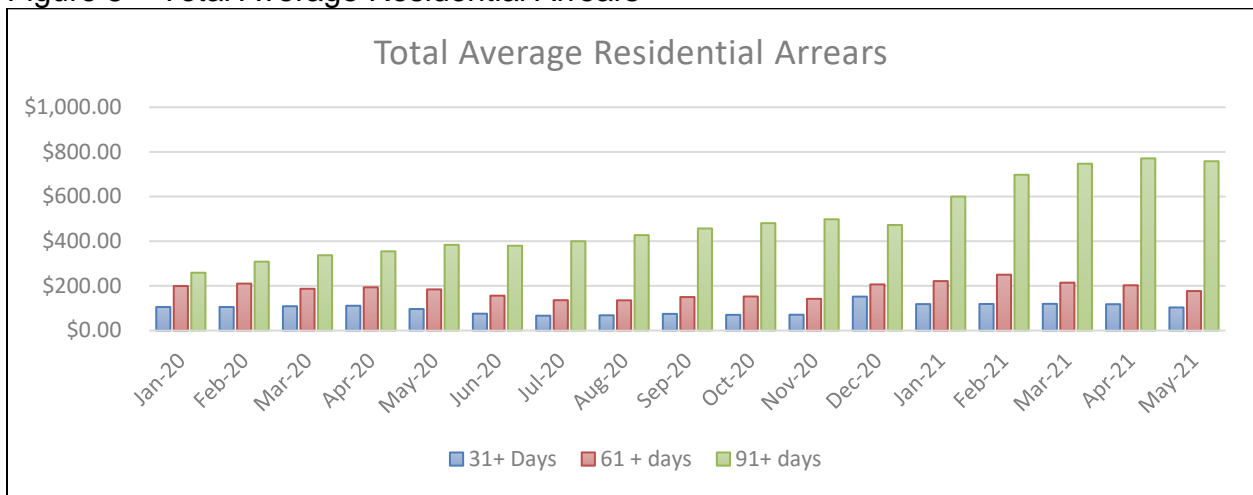
Figure 4 – Total Small Commercial Arrears



Average Residential Balance

As shown in Figure 5 below, average residential arrears balances have decreased in all three baskets from April to May. The 91+ day basket decreased from \$771 to \$758, and the 61+ day basket saw a decrease to \$177, which is lower than the pre-pandemic January 2020 level (\$199). The 31+ day basket also saw a small decrease to \$104, which is slightly lower than January 2020 level (\$105).

Figure 5 – Total Average Residential Arrears



As shown below, total average small commercial arrears is also decreasing with both the 31+ and 61+ day baskets being lower than pre-pandemic levels. With that said, the 91+ basket is significantly higher than January 2020, but has been decreasing since December 2020.

Figure 6 – Total Average Small Commercial Arrears

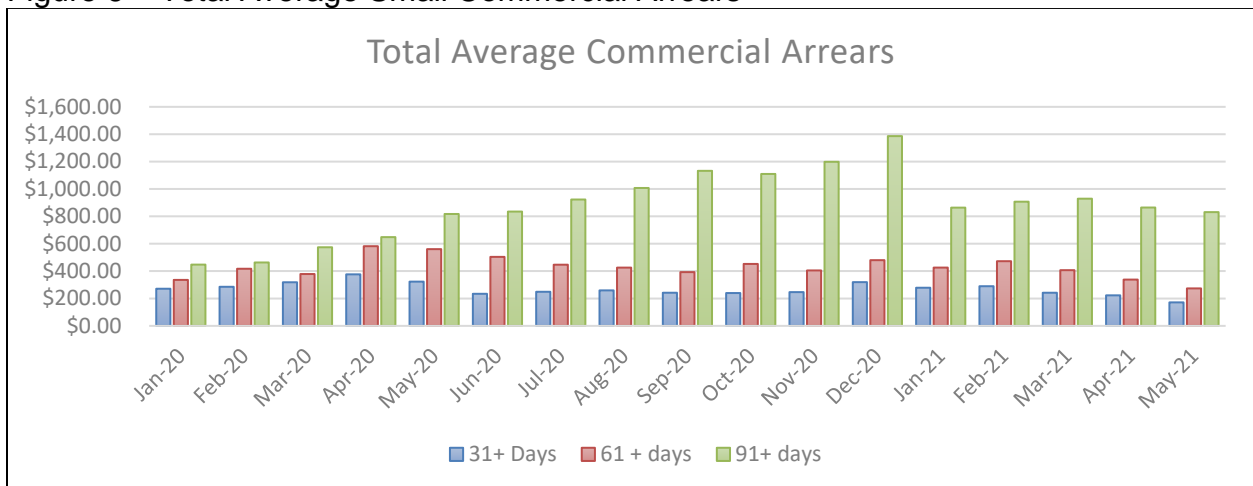


Table 1 – May 2021 Residential Arrears Summary Data

May Arrears data	
Total Arrears	\$ 94,020,232
Total Customers in Arrears	284,245

Staff believes that June (30-day notices), July (15-day notices), and August (disconnects) of 2021 will be critical months in determining the effect of relief efforts on changes in total arrears, customers in arrears, and average arrears balances.

Arrearage Management Plan Funds (Residential Customers)

The following tables highlight AMP status as of May 31, 2021. These amounts will continue to change monthly.

Table 2 – AMP Funds to date May 31, 2021

AMP Funds						
	PGE	PAC	AVA	IPC	CNG	NWN
February	\$ 23,694	\$ -	\$ -	\$ -	\$ -	\$ -
March	\$ 1,325,039	\$ -	\$ -	\$ 18,128	\$ -	\$ -
April	\$ 2,404,292	\$ 2,869,785	\$ 491,040	\$ 73,527	\$ 168,702	\$ -
May	\$1,696,713	\$ 1,333,936	\$ 150,136	\$ 48,243	\$ 87,176	\$ 226,925
Total Expended	\$ 5,449,738	\$ 4,203,721	\$ 641,176	\$ 139,897	\$ 255,878	\$ 226,925
Committed	\$ 6,517,401	\$ 5,463,186	\$ -	\$ 38,285	\$ -	\$ 87,968
Authorized	\$ 17,557,000	\$ 12,681,000	\$ 889,890	\$ 519,908	\$ 707,517	\$ 6,167,000
Remaining	\$ 5,589,861	\$ 8,477,279	\$ 248,714	\$ 380,011	\$ 451,639	\$ 5,852,107
<i>Percent Remaining</i>	32%	67%	28%	73%	64%	95%

Table 3 – Residential Customers Participating in AMPs to date May 31, 2021

Residential Customers						
	PGE	PAC	AVA	IPC	CNG	NWN
Total AMP Participants	22,925	11,275	1,508	408	896	1,161
Customers in Arrears	78,780	89,205	10,243	1,402	5,602	87,968
% Participating in AMP	29%	13%	15%	29%	16%	1%

Table 4 – AMP Program Types to date May 31, 2021

AMP Program Types (\$ spent)							
	PGE	PAC	AVA	IPC	CNG	NWN	Total
Automatic Grants	\$ -	\$ -	\$ 215,208	\$ -	\$ 88,842	\$ -	\$ 304,050
Instant Grants	\$ 446,860	\$ 3,654,767	\$ 425,968	\$ 35,638	\$ 167,037	\$ 197,293	\$ 4,927,562
Short-Term Match	\$ 3,369,896	\$ -	\$ -	\$ 98,124	\$ -	\$ 29,265	\$ 3,497,286
Extended Match	\$ 1,632,983	\$ 548,954	\$ -	\$ 3,465	\$ -	\$ 367	\$ 2,185,769
*Automatic Grants do not require an application							
**Instant Grants include application based AMP assistance not requiring a match							
*** Short-Term Match include AMP matching programs less than 12 months							
**** Extended Match include all AMP matching programs designed to be 12 months or more							

Table 5 – AMP Program Types (Count of Customers) to date May 31, 2021

AMP Program Types (count of customers)							
	PGE	PAC	AVA	IPC	CNG	NWN	Total
Automatic Grants	-	-	654	-	276	-	930
Instant Grants	1,567	9,289	854	160	620	875	13,365
Short-Term Match	13,447	-	-	210	-	195	13,852
Extended Match	7,911	1,986	-	38	-	91	10,026
*Automatic Grants do not require an application							
**Instant Grants include application based AMP assistance not requiring a match							
*** Short-Term Match include AMP matching programs less than 12 months							
**** Extended Match include all AMP matching programs designed to be 12 months or more							

Table 6 – Funds Expended / Recipients Summary to date May 31, 2021

	Funds Expended	Recipients
No-Match Awards	\$ 5,231,613	14,295
Matching Awards	\$ 5,683,055	23,878

Additionally, as previously highlighted, there has been an increased amount of low-income energy assistance (EA) funds that will also be used to pay down arrearages for certain customers. These funds include:

Table 7 – Low Income Assistance Funding

Program	Funding
LIHEAP (Energy Assistance State-wide) ⁴	\$30 million
LIHEAP CARES Act (State-wide) ⁵	\$7.8 million
EASCR (CRF) ⁶	\$16.5 million
LIHEAP (Latest Stimulus Package – EA State-wide) ⁷	\$41 million
OHCS Budget Request – General Fund	\$5 million
OEAP (PGE/PAC) ⁸	\$20 million
OLGA (NW Natural)	\$2.8 Million
LIRAP (Avista)	\$255,000
OLIBA (Cascade Natural Gas)	\$120,000

During the June 23, 2021, Moratorium Workshop, utilities were asked if they believe AMP funds should be increased. The following table is a summary of responses.

Table 8 – Utility AMP Updates

Utility	Needed	Additional Comments
Avista	Suspect Not	Continuing to monitor; forecast out to September.
Cascade Natural Gas	No	Forecast out to October.
NW Natural	No	Too early in the program to accurately determine need.
Idaho Power	No	Forecast out to October.
PacifiCorp	Suspect Not	Continuing to monitor; forecast out to early October.
PGE	Suspect Not	Continuing to monitor; forecast out to mid to late August.

As a result of the above tables, Staff recommends that the Commission take no action on directing utilities to supplement AMP funds, but direct Staff to return to the Commission at the September 20, 2021, Public Meeting to present an update on AMP funds and the possible need to supplement these funds.

⁴ This is a significant increase from previous pre-COVID allocations and includes allocations to Consumer-owned Utilities.

⁵ Most of funds have been spent.

⁶ Most of funds have been spent.

⁷ OHCS received the Award Letter on May 5, 2021.

⁸ HB 2739 requests an additional \$10 million in OEAP funds; and was passed by both the Oregon House and Senate.

Characteristics of Customers
 The following table summarizes utility, stakeholder, and Staff input to identify customers that should receive special protection against energy disconnections in particular circumstances.

Table 9 – Characteristics / Circumstances to Avoid Disconnection

Customer actions / Circumstances that will avoid disconnection				Joint Utilities Comments	Joint Advocates Comments	Staff
1	Actively enrolled in an AWP matching program and have made one or more payments since enrollment.	X	X	X		
2	On a time payment arrangement (TPA) or renegotiated a TPA and making payments.	X	X	X		
3	Not on a TPA but have made a payment in the past month of at least 10% of the past due balance.	X	X	X		
4	Have an appointment with Energy Assistance and/or seeking energy assistance - will delay disconnect one month if customer says they have an appointment or have been calling to get an appointment. This meets self-certification and the one month may be extended based on customer involvement with utility.	X	X	X		
5	* Have an active medical certificate.	X	X	X		
6	* Explore how to protect undocumented persons from disconnection	X				
7	* Those displaced by wildfires should be protected from disconnection	X				
Additional Considerations:						
8	* Conditions for extreme weather moratorium needs to be expanded.	X				
9	* Conditions for extreme air quality moratorium	X				
10	* Must protect customer information from other agencies.	X				
11	* SSNs not required for customer funded programs - Current agreement based on Customer Eligibility Workshops	X				
12	* Utility thresholds for disconnections should be discussed. May 23 Moratorium Workshop and ongoing.	X				
Notes:						
1. Considerations with an asterisk (*) are additional to the March 23 SPM list. Considerations shaded in orange are not included in the recommendations.						
2. Consider requiring utilities to implement a "summer/winter protection plan" in lieu of expanding the current weather moratorium.						

The first four characteristics are discussed in Commission Order No. 21-164, with the Commission directing utilities to use reasonable best efforts not to disconnect customers for nonpayment in these circumstances. Staff and the joint parties continue to support including these characteristics and circumstances on the list of customers and characteristics for protection from disconnection.

The additional recommended characteristics and circumstances to add to this list are:

- Residential Customers on medical certificates without imposing a requirement to enroll in a TPA,
- Residential and small commercial customers displaced by wildfires, and
- Residential and small commercial customers on Days where the Air Quality Index (AQI) – All AQI pollutants, is at 101 (Hazardous for Sensitive Groups) or higher.

Currently, under OAR 860-021-0410(1), an energy utility may not disconnect residential service when a “customer submits certification from a qualified medical professional stating that disconnection would significantly endanger the physical health of the customer or a member of the customer’s household.”

Paragraph 16 of the UM 2114 Stipulated Agreement allows initial self-certification of customer medical certificates when a medical certificate is required and allows customers two months to submit confirming certification from a qualified medical professional through October 1, 2022.

Under OAR 860-021-0410(5), a customer is required to enter into a TPA when an overdue balance exists. Staff and the joint parties support including this circumstance, without the need to enter a TPA, on the list of customers and characteristics for protection from disconnection.

Staff recommends including two additional circumstances on the list that are not included in comments from the joint utilities.

First, Staff supports protecting residential customers from disconnection when the Air Quality Index indicates outdoor air poses a public health hazard. Under existing rule, OAR 860-021-0407, a moratorium on residential service disconnections for nonpayment applies to any day a high temperature of less than 32 degrees Fahrenheit is forecast or a local Heat Advisory is issued. An air quality index moratorium would similarly protect customers from disconnection when there is public health risk from outdoor air quality.

Utilities did not express objection to this protection at the May 23, 2021, Moratorium Workshop.

Table 10 below highlights AQI data for the past five years in the Portland-Vancouver-Hillsboro area. Different parts of the state will have varied data.

Table 10 – Air Quality Index – Portland-Vancouver-Hillsboro⁹

Air Quality Index - Days at 101 and above (Portland-Vancouver-Hillsboro)				
Year	Hazardous for Sensitive Individuals (> 100)	Unhealthy (151 - 200)	Very Unhealthy (201 - 300)	Hazardous (> 300)
2017	10	5	1	0
2018	8	2	0	0
2019	3	0	0	0
2020	6	0	3	5
2021	0	1	0	0

Second, Staff recommends including residential and small commercial customers displaced by wildfires on the list of customers to be protected from disconnection. Utilities did not express objection to this protection at the June 23, 2021, Moratorium Workshop.

Whether and when to protect customers displaced by wildfires from disconnection and the AQI recommendations should also be further explored during the UM 2114 Paragraph 28 workshops.

Characteristics that are currently occurring or in progress include:

- Social Security Numbers (SSNs) not required for customer funded programs, which include OEAP, OLGA, LIRAP, and OLIBA; and customer funded weatherization programs, and
- Utility thresholds for disconnections.

Characteristics that were proposed by stakeholders, but are not included Staff's recommendation include:

- Explore how to protect undocumented persons from disconnection – Staff did not include this characteristic because:
 - Utilities have no reasonable means to identify customers' immigration status, and
 - Undocumented customers have access to arrearage management program funds, extended time payment arrangements, and customer

⁹ <https://www.epa.gov/outdoor-air-quality-data/air-data-tile-plot>

funded low-income programs, which include OEAP, OLGA, LIRAP, and OLIBA; and customer funded weatherization programs.

- Must protect customer information from other agencies – Staff did not include this as there may be legal considerations and consequences for utilities to disregard federal and other laws.
- Conditions for extreme weather moratorium need to be expanded – Staff did not include this as the extreme weather moratorium conditions are months away and there is sufficient time to further explore this recommendation during the UM 2114 Paragraph 28 workshops.

Conclusion

Based on the information provided, Staff recommends that the Commission:

1. Take no action on directing utilities to supplement Arrearage Management Plan funds, but direct Staff to return to the Commission at the September 20, 2021, Public Meeting to present an update on AMP funds and the possible need to supplement these funds.
2. Identify the following characteristics and circumstances to be used to protect certain customers against disconnections of energy service: 1) Residential customers actively engaged in an Arrearage Management Program (AMP) matching program and have made one or more payments since enrollment, 2) residential customers on a time-payment arrangement (TPA), 3) residential customers not on a TPA but who have made a payment in the past month of at least 10 percent of the past due balance, 4) residential customers who self-certify they have an appointment or are seeking Energy Assistance may be protected for at least one month, subject to engagement with the utility, 5) residential customers on medical certificates without the need to enter a TPA, 6) residential and small commercial customers displaced by wildfires, and 7) residential and small commercial customers on days where the Air Quality Index (AQI) – All AQI pollutants is at 101 (Hazardous for Sensitive Groups) or higher. Direct Staff and the Diversity, Equity, and Inclusion (DEI) Director to further examine these and other circumstances recommended by stakeholders during workshops convened under Paragraph 28 of the Stipulated Agreement.

PROPOSED COMMISSION MOTION:

1. Pursuant to Commission Order No. 21-164, take no action on directing utilities to supplement Arrearage Management Plan (AMP) funds, but direct Staff to return to the Commission at the September 20, 2021, Public Meeting to present an
2. Pursuant to Commission Order No. 21-164, identify the following characteristics and circumstances to be used to protect certain customers against disconnections of energy service: 1) Residential customers actively engaged in an Arrearage Management Program (AMP) matching program and have made one or more payments since enrollment, 2) residential customers on a time-payment arrangement (TPA), 3) residential customers not on a TPA but who have made a payment in the past month of at least 10 percent of the past due balance, 4) residential customers who self-certify they have an appointment or are seeking Energy Assistance may be protected for at least one month, subject to engagement with the utility, 5) residential customers on medical certificates without the need to enter a TPA, 6) residential and small commercial customers displaced by wildfires, and 7) residential and small commercial customers on days where the Air Quality Index (AQI) – All AQI pollutants is at 101 (Hazardous for Sensitive Groups) or higher. Direct Staff and the Diversity, Equity, and Inclusion (DEI) Director to further examine these and other circumstances recommended by stakeholders during workshops convened under Paragraph 28 of the Stipulated Agreement to analyze and discuss approaches to arrearage management; including, but not limited to, alternatives to disconnections in the post-moratorium period.